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October 10, 2007

M. Brigid McDonough, Esq.
612.977.8121
bmcdonough@briggs.com

VIA U.S. MAIL

Secretary of State
State Capitol, Suite 204
500 East Capitol Avenue
Pierre, SD 57501

Re: $19,000,000 Brown County, South Dakota Subordinate Solid Waste Facilities Revenue Bonds (Heartland Grain Fuels, L.P. Ethanol Plant Project), Series 2007A
Allocation Number: 2007200702

Enclosed please find the following in connection with the above bond issue:

1. South Dakota Secretary of State's Bond Information Statement; and

2. Filing fee in the amount of $1.00.

If you have any questions concerning the above or need any further information, please do not hesitate to contact me.

Yours truly,

M. Brigid McDonough

M. Brigid McDonough, Esq.

MBM/kq

Enclosures

cc: (via e-mail/with enclosures)
Paul Tietz
Steve Rosholt
Mark Meaney
John Utley
Jim Mayer
Maxine Taylor
Kim Dorsett
Jason Dilges

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BOND INFORMATION STATEMENT

State of South Dakota
SDCL 6-8B-19

Return to: Secretary of State
State Capitol, Suite 204
500 E. Capitol Ave.
Pierre, SD 57501

Filing Fee: $1.00

(605) 773-3537

Every public body, authority or agency issuing any general obligation, revenue, improvements, industrial revenue, special assessment, or other bonds of any type, shall file, with the Secretary of State, the following information concerning each issue of bonds:

1. Name of issuer: Brown County, South Dakota

2. Designation of issue: Brown County, South Dakota Subordinate Solid Waste Facility Revenue Bonds (Heartland Grain Fuels, L.P. Ethanol Plant Project) Series 2007A

3. Date of issue: October 9, 2007

4. Purpose of issue: Construction of a Solid Waste Facility

5. Type of bond: Private Activity - Solid Waste

6. Principal amount and denomination of bond: $19,000,000 - single term bond

7. Paying dates of principal and interest: Each January 1 and July 1, commencing January 1, 2008 with final maturity on January 1, 2018

8. Amortization schedule: $5,840,000 on 1/1/2016; $6,320,000 on 1/1/2017; $6,840,000 on 1/1/2018

9. Interest rate or rates, including total aggregate interest cost: 8.25% - $14,547,041.67

This is to certify that the above information pertaining to the bond is true and correct on this 9th day of October, 2007.

Marlene Taylor

~~Finance Officer~~ Brown County County Auditor

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Form **8038**

(Rev. September 2007)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Private Activity Bond Issues

(Under Internal Revenue Code section 149(e))

➤ **See separate instructions.**

OMB No. 1545-0720

Part I Reporting Authority

Check if **Amended Return** ➤ ☐

1 Issuer's name Brown County, South Dakota	2 Issuer's employer identification number 46 ¦ 6000011
3 Number and street (or P.O. box if mail is not delivered to street address) 25 Market Street, Suite 1	Room/suite Suite 1 — 4 Report number 1
5 City, town, or post office, state, and ZIP code Aberdeen, South Dakota 57401	6 Date of issue October 9, 2007
7 Name of issue Brown County, South Dakota Subordinate Solid Waste Facilities Revenue Bonds (Heartland Grain Fuels, L.P. Ethanol Plant Project) Series 2007A	8 CUSIP number 115433AA2
9 Name and title of officer or legal representative whom the IRS may call for more information M. Brigid McDonough, Briggs and Morgan, P.A., Bond Counsel	10 Telephone number of officer or legal representative (612) 977-8121

Part II Type of Issue (check the applicable box(es) and enter the issue price for each)

		Issue Price
11 Exempt facility bond:		
a ☐ Airport (sections 142(a)(1) and 142(c))	11a	
b ☐ Docks and wharves (sections 142(a)(2) and 142(c))	11b	
c ☐ Water furnishing facilities (sections 142(a)(4) and 142(e))	11c	
d ☐ Sewage facilities (sections 142(a)(5)	11d	
e ☒ Solid waste disposal facilities (sections 142(a)(6))	11e	19,000,000
f ☐ Qualified residential rental projects (sections 142(a)(7) and 142(d)), (see instructions)	11f	
Meeting 20-50 test (section 142(d)(1)(A)) ☐		
Meeting 40-60 test (section 142(d)(1)(B)) ☐		
Meeting 25-60 test (NYC only) (section 142(d)(6)) ☐		
Has an election been made for deep rent skewing (section 142(d)(4)(B))? ☐ Yes ☐ No		
g ☐ Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f)	11g	
h ☐ Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h	
Facility type		
1986 Act section		
i ☐ Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i	
j ☐ Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j	
k ☐ District of Columbia Enterprise Zone facility bonds (section 1400A)	11k	
l ☐ Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l	
m ☐ Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m	
n ☐ Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n	
o ☐ Qualified Gulf Opportunity Zone Bonds (sections 1400N(a)(1)(A) and 1400N(a)(2)(A)(i))	11o	
p ☐ Qualified New York Liberty Bonds (sections 1400L(d))	11p	
q ☐ Other. Describe (see instructions) ➤	11q	
12 a ☐ Qualified mortgage bond (section 143(a))	12a	
b ☐ Qualified Gulf Opportunity Zone mortgage bond (sections 1400N(a)(1)(B) and 1400N(a)(2)(A)(ii))	12b	
13 ☐ Qualified veterans' mortgage bond (section 143(b)) (see instructions) ➤	13	
Check the box if you elect to rebate arbitrage profits to the United States ☐		
14 ☐ Qualified small issue bond (section 144(a)) (see instructions) ➤	14	
Check the box for $10 million small issue exemption ☐		
15 ☐ Qualified student loan bond (section 144(b))	15	
16 ☐ Qualified redevelopment bond (section 144(c))	16	
17 ☐ Qualified hospital bond (section 145(c)) (attach schedule – see instructions)	17	
18 ☐ Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule – see instructions)	18	
Check box if 95% or more of net proceeds will be used **only** for capital expenditures ➤ ☐		
19 ☐ Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19	
20 a ☐ Gulf Opportunity Zone advance refunding bond (sections 1400N(b)(1)) (see instructions)	20a	
b ☐ New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)	20b	
c ☐ Other. Describe (see instructions) ➤	20c	

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	January 1, 2018	$19,000,000	$19,000,000	9.280 years	8.2531792%

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Part IV Uses of Proceeds of Issue (including underwriter's discount)

				Amount
22	Proceeds used for accrued interest		22	
23	Issue price of entire issue (enter amount from line 21, column (b))		23	19,000,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 380,000		
25	Proceeds used for credit enhancement	25 0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26 1,900,000		
27	Proceeds used to currently refund prior issue (complete Part VI)	27 0		
28	Proceeds used to advance refund prior issue (complete Part VII)	28 0		
29	Add lines 24 through 28		29	2,280,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	16,720,000

Part V Description of Property Financed by Nonrefunding Proceeds

Caution: *The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.*

31 Type of Property Financed by Nonrefunding Proceeds:		Amount
a Land	31a	
b Buildings and structures	31b	
c Equipment with recovery period of more than five years	31c	15,583,562.50
d Equipment with recovery period of 5 years or less	31d	
e Other (describe) Capitalized Interest	31e	1,136,437.50

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	562219	$15,583,562.50	c		$
b		$	d		$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33 Enter the remaining weighted average maturity of the bonds to be currently refunded ➤ years

34 Enter the remaining weighted average maturity of the bonds to be advance refunded ➤ years

35 Enter the last date on which the refunded bonds will be called ➤

36 Enter the date(s) the refunded bonds were issued ➤

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) ➤

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III) ➤ ☐

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ➤ ☐

40 Check the box if you have identified a hedge (see instructions) ➤ ☐

41 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user ➤ ☐

Name ➤ EIN

Part VIII Volume Caps

			Amount
42	Amount of state volume cap allocated to the issuer. **Attach copy of state certification.**	42	20,000,000
43	Amount of issue subject to the unified state volume cap	43	20,000,000
44	Amount of issue not subject to the unified state volume cap or other volume limitations:	44	0
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	44a	0
b	Under a carryforward election. Attach a copy of Form 8328 to this return	44b	0
c	Under transitional rules of the Tax Reform Act of 1986, Enter Act section ➤	44c	0
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	44d	0
45 a	Amount of issue of qualified veterans' mortgage bonds	45a	0
b	Enter the state limit on qualified veterans' mortgage bonds	45b	0
46 a	Amount of section 1394(f) volume cap allocated to issuer. **Attach copy of local government certification.**	46a	0
b	Name of empowerment zone ➤		
47	Amount of section 142(k)(5) volume cap allocated to issuer. **Attach copy of state certification.**	47	0

Sign Here

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

➤ Maxine Taylor
Signature of officer
Maxine Taylor
Name of above officer (type or print)

➤ October 9, 2007
Date
Brown County County Auditor
Title of officer (type or print)

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